

THE RHODE ISLAND CONVENTION CENTER AUTHORITY FINANCE COMMITTEE MEETING

February 23, 2016

A meeting of the Finance Committee of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on February 23, 2016, pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Bernie Buonanno, Jeff Hirsh, Stan Israel and Paul MacDonald.

Also present were James P. McCarvill, Executive Director and Donald Nadeau, Rhode Island Convention Center Authority; Larry Lepore and Pam Bacon, Rhode Island Convention Center and Dunkin' Donuts Center; Dan Schwartz the VETS and Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary.

Mr. Hirsh called the meeting to order at 10:05 AM. Mr. Hirsh asked for approval of minutes of the last meeting. Upon a motion duly made by Mr. Israel and seconded by Mr. MacDonald it was unanimously

VOTED: to approve the minutes of the January meeting.

Mr. Hirsh reported that due to changes in our financial reporting efforts and the upcoming budget preparation and annual audit the

Finance Committee will meet monthly at 10:00 AM on Tuesday prior to the Thursday Board meeting. Mr. Hirsh

Mr. McCarvill presented the financial statements. He reported that Ms. Bacon has been short-handed but continues to work on a more easily read presentation of the financials. Mr. McCarvill stated that for the month of January the Convention Center's net income was (\$48,559) to budget and \$66,066 to the prior year. Mr. McCarvill stated that year to date the Convention Center's net income was \$716,673 to budget and \$1,771,410 to the previous year. Mr. McCarvill stated that he expects this to be a good year. Mr. McCarvill continued with the Income Statement for the Dunk. He said that for the month of January the Dunkin' Donuts Center's net income variance was (\$29,895) to budget and \$214,353 to the prior year. Mr. McCarvill reported that year to date net income for the Dunk was \$149,742 to budget and (\$203,925) to the prior year. Mr. McCarvill reported that for the month of January the VETS net income variance was (\$38,984) to budget and (\$32,605) to the prior year. Mr. McCarvill said that year to date net income for the VETS was (\$140,706) to budget and \$28,596 to the previous year. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of January was \$23,159 to budget and (\$16,682) to the prior year. Year to date net income for the Authority was \$108,686 to budget and a variance of \$39,934 to the prior year. Mr. McCarvill said that consolidated net income variance for the month of January was (\$92,279) to budget and \$231,132 to the prior year. Consolidated net

income for the year was \$834,394 to budget and a variance of \$1,631,009 to the prior year.

Mr. Lepore reported that we have had an adjustment to our water bill. He said that a new meter was installed that was not metering correctly. Mr. Lepore said that we are now on a payment plan. Discussion on whether or not water usage stays fairly constant. Mr. MacDonald asked if any thought has been given to re-using water.

Mr. Hirsh had some questions regarding the profit margin on Food & Beverage. Mr. McCarvill noted that this year we have hosted better events and people are spending more. He said that we could be \$1 million better than last year.

Discussion turned to parking. Mr. Lepore noted that we have had more events. Mr. Lepore also reminded the Committee that we raised the rates. Mr. McCarvill said that because we have such a busy schedule in the facility most transients are paying the event rate. Mr. McCarvill noted that we should look at the Enterprise contract. He said that Enterprise uses a great deal of water while washing cars. Mr. McCarvill reported that we are at maximum for monthly parkers and the only room to grow would be in rate. Mr. Hirsh asked how many events are done with free parking. Mr. Lepore said that we might do a hosted parking for a reduced rate but never for free. Mr. Lepore said that the lowest we will charge will be \$2.00 for the Jehovah Witness Gathering and that will be during a Summer 2017

weekend.

Mr. Buonanno commented that attendance is up for both the Providence Bruins and Providence College Basketball. Mr. McCarvill said that we should see an uptick in the revenue generated for these events in the coming months. Mr. McCarvill said that the Dunk is expected to lose \$600,000 for the year. He said that better attendance and an increase in Food & Beverage revenue have had a positive impact on the numbers. Mr. McCarvill noted that the Providence Bruins did very well and the Friars being nationally ranked is responsible for the increase in Food & Beverage and parking. He said winning is good.

Mr. Schwartz reported that there was only one show at the VETS in January. He said that it has been a very slow month for the theater. Mr. Schwartz said they have kept expenses to a minimum therefore he is projecting a loss of approximately \$100,000 or about \$50,000 better than last year. Mr. Schwartz noted that the budget for the year was aggressive and that Mr. Singleton would like to be involved in the process for future years. Mr. Singleton would like to work with a more realistic budget going forward. Mr. McCarvill asked if there are any areas where rates could be increased. Mr. Schwartz said that he has been looking to raise the rental rate for the Philharmonic. He also said that the parking lot has not been included in any projections but should produce revenue as soon as it is available.

Mr. Buonanno where we will be at year end. Mr. McCarvill stated that we have a reasonable expectation of breaking even.

Mr. Hirsh asked where we stand with SMG and future promotions for the Complex. Mr. Lepore noted that he does not expect that SMG will have any products that will be coming in the near future.

Discussion ensued regarding where the CVB support should be accounted for and if it is actually a management expense.

Mr. Hirsh asked if there was any other business for the Finance Committee. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Israel and seconded by Mr. MacDonald it was unanimously

VOTED: to adjourn at 11:10 AM.